

FILED

2020 MAY 19 PM 2:30

RICHARD JONES
CLERK OF COURT
BANKRUPTCY COURT
DAYTON, OHIO

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF OHIO (DAYTON)

IN RE:

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CASE NO. 19-30822

TAGNETICS INC.

*

CHAPTER 7

INVOLUNTARY DEBTOR

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MOTION TO HOLD TAGNETICS IN CRIMINAL CONTEMPT

FROM: Jonathan Hager, Kenneth Kayser, and Ronald Earley

Pro se parties for the Tagnetics Involuntary Bankruptcy Case 19-30822 move this Court to hold Tagnetics in Criminal Contempt for their deliberate disobedience to the Court's Order, *Order Granting in Part Tagnetics' Motion to Enforce Settlement Agreement and Ordering Other Matters* [Doc. No. 119]. As of May 13, 2020, no payments have been made to the pro se parties and no correspondence has been received regarding said payments.

In support of this Motion, the pro se parties state the following:

The pro se parties appreciate the Bankruptcy Courts' efforts to enforce compliance by issuing the *Order Granting Petitioning Creditors' Motion for Contempt* [Doc. No. 145] on February 11, 2020. Provisions for additional interest as an attempt to remedy the lack of compliance has not triggered any action by Tagnetics. The pro se parties had offered an additional settlement for Tagnetics consideration that would have provided them with the release language they sought but they dismissed that offer in hopes of prevailing in their Appeal. The United States District Court for the Southern District of Ohio Western Division at Dayton **affirmed** the Bankruptcy Court decision on April 27, 2020 [Case 3:19-cv-00363-TMR Doc. No. 16]. The *Order Granting in Part Tagnetics' Motion to Enforce Settlement Agreement and Ordering Other Matters* [Doc. No. 119] has been affirmed and must be followed. The pro se parties have not received any correspondence from Tagnetics since that decision.

The pro se parties move for the Bankruptcy Court to consider more aggressive action to enforce the Court Order and to vindicate the authority of the Court. The motion is to find Tagnetics in criminal contempt for blatant disregard for the Courts' requirements. Since a corporation is only able to act through its agents, this motion requests the Court to find those who are officially responsible for the conduct of Tagnetics affairs to be in criminal contempt. Despite the clear explanation of Tagnetics obligations provided by the *Order Granting Petitioning Creditors' Motion for Contempt* [Doc. No. 145], Tagnetics management has not taken any action to comply. The finding of civil contempt was a means to compensate the pro se parties for the delays in payment. The continued disrespect to the court's authority requires more drastic punitive action.

The pro se parties also encourage the Bankruptcy Court to consider the lack of action by Tagnetics when considering the disposition of Attorney Fees. The Court had delayed the decision on the Attorney fees awaiting the outcome of the Appeal. If the Court does determine that Tagnetics is entitled to recover some or all of their attorney fees requested in their *Application for Attorney Fees as Compensatory Damages Pursuant to the Court's October 25, 2019 Order* [Doc. No. 134], the pro se parties encourage the Court to consider making those fees offset the "Balance", or fourth payment, listed on the payment schedule of the *Order Granting in Part Tagnetics' Motion to Enforce Settlement Agreement and Ordering Other Matters*

[Doc. No. 119] payable upon the next liquidity event. The lack of compliance shown by Tagnetics should not enable them to recover funds from the pro se parties at any earlier instance.

The records that are available indicate the following individuals are responsible for the operations of Tagnetics. Tagnetics corporate records should indicate the current contact information for these individuals.

John White, CEO

Lawrence McWilliams, co-CEO

Donald Sackman, Director

Vincent Browning, Director

August Klein, Director

Robert Tobin, Director

Edward Quinn, Director

Respectfully submitted May 19, 2020,



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CERTIFICATE OF SERVICE

I hereby certify that on May 19, 2020, a copy of the foregoing, a copy of the foregoing Motion to Hold Tagnetics in Criminal Contempt was (i) submitted to the Clerk of the Court at the Courthouse and (ii) electronically by email to counsel for Tagnetics, Inc. to

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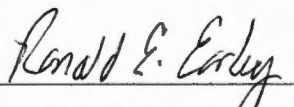
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